

CHAPTER 3**DISPOSITION OF FORFEITURES AND FINES AS A RESULT OF
COURTS-MARTIAL, NONJUDICIAL PUNISHMENT, AND DESERTION**0301 **PURPOSE**

This chapter describes the transfer of certain forfeitures and fines, as a result of courts-martial, nonjudicial punishment, and desertion, to the Armed Forces Retirement Home Trust Fund (AFRHTF).

0302 **APPLICABILITY AND SCOPE**

This chapter applies to each DFAS Center that maintains a military pay system and to limited duty officers, regular and Reserve warrant officers, and regular and Reserve enlisted members of the Army, Navy, Air Force, and Marine Corps.

0303 **GENERAL POLICY**

The Armed Forces Retirement Home Board determines, on the basis of the financial needs of the Armed Forces Retirement Home, a percentage of forfeitures and fines adjudged by courts-martial and nonjudicial punishment, and amounts forfeited on account of desertion against limited duty officers, warrant officers, and enlisted members to be transferred to the AFRHTF. The Armed Forces Retirement Home Board has determined that 100 percent of all forfeitures and fines will be transferred to the AFRHTF. Transfer only those amounts which are in excess of any indebtedness to the United States and amounts owed to individuals. For the purposes of this chapter, the term "indebted" or "debt" refers to amounts due from the member for reimbursement to the United States; for example, an amount due the Internal Revenue Service pursuant to a tax levy, which may ordinarily be thought of as a "debt" to the United States, is not a "reimbursement" or "debt" for purposes of this chapter. "The term "amounts owed to individuals" refers to amounts owed from a member's pay by direction of a commanding officer pursuant to Article 139 of the Uniform Code of Military Justice."

0304 **PROCEDURES**

030401. **Transfer of Fines.** When a limited duty officer, warrant officer, or enlisted member is sentenced by a court-martial or nonjudicial punishment to pay a fine, the supporting DFAS Center will transfer the amount to the AFRHTF within 30 days from the end of the month in which the fine was collected.

030402. **Transfer of Courts-Martial and Nonjudicial Punishment Forfeitures.** When a limited duty officer, warrant officer, or enlisted member is sentenced to forfeit all or part of his/her pay, the supporting DFAS Center will transfer the amount to the AFRHTF within 30 days from the end of the month in which the forfeiture is collected. Multiple-month forfeitures, or

forfeiture amounts which are collected over two or more months, will be transferred on a monthly basis to the AFRHTF. Do not wait until the entire amount of the forfeiture has been collected before making such transfers. For example: a member is sentenced to forfeiture of pay of \$500 per month for 2 months, with the convening authority approving the sentence on November 29. The transfer would be \$33.33 (\$500 divided by 30 days, times 2 days left in the month) no later than December 30, \$500 (\$500 divided by 30 days times 30 days) no later than January 30, and \$466.67 (\$500 divided by 30 days times 28 days left uncollected) no later than March 2, into the AFRHTF.

030403. Transfer of Courts-Martial and Nonjudicial Punishment Forfeitures When Indebted to the Government.

A. Separation from Service not involved. When a limited duty officer, warrant officer, or enlisted member is sentenced to forfeit all or part of his/her pay, and the member is indebted to the government, the supporting DFAS Center will not transfer any amounts to the AFRHTF until all known debts have been established. Any forfeiture amounts exceeding the uncollected indebtedness will be transferred to the AFRHTF. All amounts collected thereafter, not to exceed the total amount of the forfeiture, will be transferred to the AFRHTF. (For example: Member has a forfeiture of \$200 per month for 2 months, with outstanding debts totaling \$300. Transfer \$100 to the Armed Forces Retirement Home Trust Fund only after the first \$300 of forfeitures have been collected. Transfer the remaining \$300 to the AFRHTF as the debt is collected.)

B. Members are separated from the Service. A forfeiture of a limited duty officer, warrant officer, or enlisted member is not credited to the AFRHTF when the member has unsatisfied indebtedness at date of separation, except as shown in paragraph 030404 below. It remains in the military personnel appropriation. If the total unsatisfied debt at separation is less than the forfeiture, credit the difference between the two to the AFRHTF. The supporting DFAS Center will transfer to the AFRHTF Trust Fund the amounts of the debt that subsequently are collected, not to exceed the total amount of the forfeiture. If the unsatisfied debt at separation is more than the forfeiture, no amounts will be transferred to the AFRHTF at that time. The AFRHTF will receive only those amounts subsequently collected that exceed the difference between the original uncollected debt and the forfeiture amount.

Example 1: If the uncollected indebtedness is \$500 and forfeiture is \$600, the supporting DFAS Center will transfer the difference of \$100 to the AFRHTF. All further collections there will be transferred to the AFRHTF.

Example 2: If the uncollected indebtedness is \$800 and forfeiture is \$500 at separation, no amounts will be transferred to the AFRHTF at this time. If subsequent collection recovers \$700, the first \$300 (\$800 indebtedness minus \$500 forfeiture) collected will be credited to the applicable military personnel appropriation, and the next \$400 received will be credited to the AFRHTF.

030404. Indebtedness After Forfeiture Becomes Effective. Debts incurred by a limited duty officer, warrant officer, or enlisted member after a sentence has been executed and before credit of the forfeiture to the AFRHTF, do not affect the disposition of the forfeiture. The forfeiture will be credited to the AFRHTF as if the indebtedness did not exist.

030405. Remission of Indebtedness. If a forfeiture of a limited duty officer, warrant officer, or enlisted member is not credited to the AFRHTF due to outstanding debts, and the unliquidated portion of the debts is thereafter remitted or canceled, the DFAS Center will not credit the forfeiture that equals the amount of indebtedness remitted or canceled to the AFRHTF. It remains in the military personnel appropriation.

030406. Commissioned Officers. The DFAS Center will credit forfeitures and fines of Regular and Reserve commissioned officers (except warrant and limited duty officers), to the appropriation to which the member's pay is properly chargeable.

030407. Forfeitures as a Result of Desertion. When a limited duty officer, warrant officer, or enlisted member is declared a deserter, all pay and allowances that otherwise would accrue to the member if he/she were in a pay status, will be credited to the AFRHTF. Desertion forfeiture periods for the purposes of this paragraph begin on the date the member is declared a deserter and end on the day before the member is placed into another status (separated, return to duty, etc.).

030408. Transfer of Desertion Forfeitures. The DFAS Center will transfer desertion forfeitures according to the procedures in paragraph 030402, above.